

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 84-423-E - ORDER NO. 84-940 ✓

November 8, 1984

IN RE: Application of Duke Power Company    )  
for approval of establishment of        )  
Schedule WC(SC) - Residential Water)    ORDER  
Heating Service (Controlled/Sub-        )  
metered).                                    )

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of Duke Power Company ("Applicant" or "Company") filed on September 19, 1984, whereby the Company seeks approval of Schedule WC(SC) Residential Water Heating Service Controlled/Submetered. The Application stated that it was made pursuant to Section 58-27-870(F), Code of Laws of South Carolina (1976), as amended, and requested that the Commission approve Schedule WC(SC) pursuant to Section 58-27-870(F).

The verified Application stated, in part:

The Company has made application for approval of Schedule WC under the provisions of Section 58-27-870(F) because it is a voluntary rate and will not cause any increase in present rates. This Application is not a general rate increase but is, in fact, a rate reduction as will be shown later in this Application. Further, the implementation of Schedule WC will not require a determination of the entire rate structure and overall rate of return. This particular section also allows this rate to be put into effect upon Commission order without notice and hearing when certain of these conditions are present.

By letter dated September 21, 1984, the Commission's Executive Director instructed the Company to cause to be published a prepared Notice of Filing in newspapers of general circulation in the affected area. The Notice of Filing indicated the nature of the Company's Application and advised all interested parties of the manner and time in which to file the appropriate pleadings. Thereafter, the Company furnished affidavits demonstrating the Notice of Filing had been duly published in accordance with the instructions of the Executive Director. The Notice of Filing was also published in the State Register. No Petitions to Intervene nor Letters of Protest were filed in opposition to the filing.

Based on the matters contained in the Application, and matters contained in the Commission files, the Commission has made the following findings and reached the following conclusions:

1. The Company is a public utility engaged in the generation, transmission, distribution and sale of electric energy in the Piedmont sections of North and South Carolina. The Company is subject to the jurisdiction of the Commission in approving rates for its retail customers in this State.

2. Water heating equipment currently employs thermal storage and, therefore, provides an opportunity for increasing load during the daily off-peak periods. The proposed Schedule WC provides submetered service for residential water heating which

has availability limited to a minimum of six hours per day. Schedule WC is a voluntary rate which will limit the availability of service, while on the time-of-day rate, electricity is available either on-peak or off-peak entirely at the customer's option.

3. Schedule WC is a reasonably necessary incentive to support customer acceptance of the off-peak water heater program which will shift utilization of energy to the off-peak daily valley in the system load curve.

4. The proposed Schedule WC was attached to the Application as Exhibit 2. The Schedule WC rate was designed on the basis of demand, energy and customer-related costs. A summary of the components of cost included in the Schedule WC rate was shown on Exhibit 3 of the Application. The rate for Schedule WC is 2.5228¢/KWH and is a cost based rate.

5. If Schedule WC is not approved, the cost of service may increase because of the expenses associated with cycling large nuclear and fossil plants, because of the increased investment in generation facilities required to provide the capacity which the off-peak water heater program releases and because of increased fuel expenses.

6. The successful implementation of Schedule WC should ultimately provide lower rates.

7. That the proposed Schedule WC(SC) is in the public interest and should be approved, pursuant to Section

58-27-870(F), Code of Laws of South Carolina (1976), as amended,  
effective on the date of this Order.

IT IS THEREFORE ORDERED:

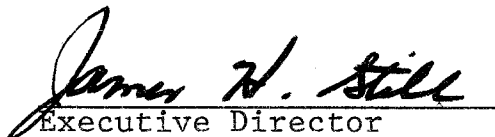
1. That Duke Power Company's Schedule WC(SC) Residential  
Water Heating Service Controlled/Submetered be, and hereby is,  
approved as filed herein, effective on the date of this Order.

2. That this Order shall remain in full force and effect  
until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
CHAIRMAN

ATTEST:

  
Executive Director

(SEAL)